



Your needs. Our drive.

AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing
HR 21210 Solin, Matoševa 8 • www.adplastik.hr
tel.: +385 (0) 21 206 444 • fax: +385 (0) 21 206 599



Announcement of regulated information

Security: ADPL / ISIN: HRADPLRA0006
LEI: 549300NFX18SRZHNT751
Home Member State: Croatia
Quotation: Zagreb Stock Exchange, Prime Market

Solin, May 27, 2022

Invitation to the General Assembly

In accordance with the provisions of the Capital Market Act and Zagreb Stock Exchange Rules, we hereby announce an invitation to the General Assembly that will be held on July 14, 2022, starting at 12 o'clock at company headquarters premises in Solin.

Invitation with the agenda and draft decisions are attached to this announcement.

AD Plastik d.d.

Based on the Article 277 of the Corporations Act (NN 111/93, 34/99, 52/00, 118/03, 137/09, 152/11, 111/12, 144/12, 68/13, 110/15, and 40/19) and the Article 35 of the Charter of AD Plastik d.d., Solin, the Management Board of AD Plastik d.d., Solin, on May 26, 2022, made a decision to

C O N V E N E
the ordinary General Assembly of AD Plastik d.d. Solin

I The General Assembly shall be held on **July 14, 2022 (Thursday)**, at 12 o'clock in the Company Headquarters in Solin, Matoševa 8, according to the following

A g e n d a

- establishing the list of participants in the General Assembly

1. Annual Financial Statements of AD Plastik d.d. and Consolidated Annual Financial Statements of AD Plastik Group for 2021, Annual report on the status of AD Plastik Group for 2021, and Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2021
2. The decision on the issuance of approval to the Management Board for their work in 2021
3. The decision on the issuance of approval for work to the Supervisory Board members in 2021
4. The decision on the appointment of an auditor for 2022 and defining remuneration for its work
5. The decision on the use of the profit realized in 2021
6. The decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2021
7. The decision on authorizing the Management Board of AD Plastik d.d. for acquiring its own shares
8. The decision on the election of two members of the Supervisory Board

II Draft decisions:

The Management Board and the Supervisory Board have proposed, except for the Items 4 and 8, and the Supervisory Board for Items 4 and 8, the passing of the following decisions:

Ad 2 Approval to the Management Board for their work in 2021 has been issued.

Ad 3 Approval to the Supervisory Board members for their work in 2021 has been issued.

Ad 4 The decision on the appointment of an auditor for 2022 and defining remuneration for its work has been made as follows:

- I. The company KPMG Croatia, d.o.o., OIB: 20963249418, Zagreb, Ivana Lučića 2/a has been appointed as the auditor for 2022 for AD Plastik, d.d. Solin.
- II. Remuneration for the work of the auditor for 2022 shall be established by a special Contract between the Company and the auditor, in accordance with the valid Audit law (NN No. 127/17);

Ad 5 The decision on the use of the profit realized in 2021 has been made as follows:

Profit of AD Plastik d.d. (hereinafter: the Company) realized in 2021 after taxation amounts to HRK 16,339,737 and shall be included in the retained earnings of the Company.

Ad 6 The decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2021 has been made as follows:

The audited Remuneration Report of Management and Supervisory Board Members for 2021 has been approved in the text published as Annex 1 of the Invitation to the General Assembly, together with the auditor's report, which form an integral part of this Decision.

Ad 7 The decision on authorizing the Management Board of AD Plastik d.d. for acquiring its own shares has been made as follows:

Article 1

Authorization is given to the Management Board of AD PLASTIK d.d. to acquire shares of this company, as an issuer, on behalf of the company AD PLASTIK d.d., under the ticker symbol ADPL (hereinafter: Own shares), subject to these conditions:

1. The Management Board of AD PLASTIK d.d. may acquire Own shares within the limits of the proscribed reserves for these shares, in line with Section 2 of the Article 222a of the Corporations Act, with a further precondition that, together with the Own shares that the Company already holds, the total number of Own shares may be 400,000 (say: four hundred thousand) at the most;
2. The price at which Own shares are purchased must not exceed 10% (ten percent) or be less than 10% (ten percent) of the average market price, which was achieved for these shares at the Zagreb Stock Exchange during the previous day of trading;
3. This authorization is valid until July 14, 2027.

Article 2

Own shares can be acquired through the Zagreb Stock Exchange and outside the regulated securities market.

If the shares are acquired or disposed of outside the regulated securities market, the Management Board of AD PLASTIK d.d. is authorized to acquire new own shares and dispose of its own shares which it already holds or has acquired based on this decision without a special decision of the General Assembly of the Company. In that case, the application of the principle of the equal position of shareholders in accordance with Article 211 of the Corporations Act is excluded.

This decision excludes the priority right of the existing shareholders set out in paragraphs 3 and 4, Article 308 of the Corporations Act.

Article 3

This decision becomes effective and applicable on the day of its passing.

Ad 8 The decision on the election of two members of the Supervisory Board has been made as follows:

Article 1

As the members of the Supervisory Board of AD PLASTIK d.d. are elected:

1. Mr. Bože Plazibat, OIB: 26977751238, Graduate Mechanical Engineer, from Split, Vukovarska 111
2. Mrs. Ivka Bogdan, OIB: 18119263619, Economist, from Split, Vrh Visoke 81A

Article 2

The term of office of the elected members of the Supervisory Board starts on February 01, 2023, and lasts for 4 (four) years.

III Explanation of the draft decisions of the General Assembly:

Ad 1 Pursuant to the provision of Article 280a paragraph 1, item 2 of the Corporations Act, shareholders are hereby informed that pursuant to Article 300d of the Corporations Act and Article 29 of the Company Charter, the Management Board, and the Supervisory Board have adopted the audited Annual Financial Statements of AD Plastik d.d. and Consolidated Annual Financial Statements of AD Plastik Group for 2021, therefore the General Assembly shall not decide upon these Statements. The Supervisory Board also accepted the Annual Report on the status of AD Plastik Group for 2021 and adopted the Report on the performed supervision over the management of the business of AD Plastik Group for 2021.

The aforementioned audited annual financial statements, together with the Annual Report on the status of AD Plastik Group for 2021 and the Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2021 shall be submitted to the General Assembly, which shall not decide this item of the agenda.

Ad 2 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Management Board, and the Supervisory Board propose to the General Assembly to adopt a decision on granting approval (clearance) to the Management Board for their work in 2021.

Ad 3 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Management Board, and the Supervisory Board propose to the General Assembly to adopt a decision on granting approval (clearance) to the Supervisory Board members for their work in 2021.

Ad 4 Pursuant to Article 280, paragraph 3 of the Corporations Act, and adopting the recommendation of the Audit Committee of the Company dated May 24, 2022, the Supervisory Board proposes to the General Assembly to adopt a decision appointing the company KPMG Croatia d.o.o., OIB: 20963249418, Zagreb, Ivana Lučića 2/a as the Company's auditor for the business year 2022.

Ad 5 The Management Board and the Supervisory Board propose to the General Assembly to adopt a decision by which the Company's net profit realized in 2021 in the amount of HRK 16,339,737 shall be included in the retained earnings.

Ad 6 Pursuant to Article 272r of the Corporations Act, the Management Board, and the Supervisory Board prepared a Remuneration Report of Management and Supervisory Board Members paid during the previous year and forwarded it to the auditor for examination in accordance with the Act. Auditor of annual financial statements, company KPMG Croatia d.o.o., examined the Report and issued its opinion on the compliance of the Report with the requirements specified in Article 272r paragraphs 1 and 2 of the Corporations Act. The Remuneration Report, together with the Auditor's Report, has been published as Annex 1 to the Invitation to this General Assembly.

Ad 7 In 2017, the General Assembly passed a decision according to which the Management Board was authorized to acquire the Company's own shares (hereinafter: Own shares) within the limits of the proscribed reserves, with a further precondition that, together with the Own shares that the Company already holds, the total number of Own shares may be 400,000 (say: four hundred thousand) at the most. The Management Board and the Supervisory Board propose to the General Assembly the adoption of a new decision authorizing the Management Board to acquire the same number of own shares for a period of the next five years.

Own shares are used primarily for the allocation to the employees of the Company, payment of bonuses, and in other cases specified by law.

Ad 8 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Supervisory Board proposes to the General Assembly the re-election of the members of the Supervisory Board of AD Plastik d.d., Mr. Bože

Plazibat, and Ms. Ivka Bogdan, with the beginning of the term of office on February 1, 2023, ie after the expiration of their current terms of office.

Mr. Bože Plazibat is a doctor of science in the field of mechanical engineering with many years of academic experience in the field of technical sciences and informatics. Mrs. Ivka Bogdan is an economist with many years of business and managerial experience in the field of economic affairs, corporate finance, controlling, and internal audit.

The expert and professional competencies of these candidates, as well as their high moral integrity, have been significantly contributing to the achievement of guidelines and standards of expertise, adequacy, and diversity established by the Profile of the Supervisory Board of the Company.

The CVs of these candidates, which describe in more detail their skills, knowledge, education, and experience that enable them to effectively perform the role of a member of the Supervisory Board, have been published on the Company's website www.adplastik.hr.

During the previous term, the appointed candidates regularly attended meetings of the Supervisory Board and its committees, and actively participated in their work, because of which the Supervisory Board during the last evaluation of its work positively assessed their competencies to perform tasks which, in accordance with the law, fall under the competence of the Supervisory Board and its committees, and concluded that the appointees contributed significantly to their work.

Mr. Bože Plazibat and Mrs. Ivka Bogdan are not members of supervisory or management boards in other companies and other supervisory bodies in the country and abroad.

IV In case the General Assembly is not held on July 14, 2022, because of lack of quorum or for other reasons, the next meeting of the General Assembly shall be held on July 22, 2022 (Friday) at the same time and at the same place, and with the same agenda as stated in this Invitation.

V TOTAL NUMBER OF SHARES AND VOTING RIGHTS AT THE TIME OF CONVENING THE GENERAL ASSEMBLY:

The share capital of the Company is divided into a total of 4,199,584 ordinary registered shares, each of them in the nominal amount of HRK 100.00.

Each ordinary share gives the right to one vote at the General Assembly, except for the own (treasury) shares of the Company, i.e. the shares without voting right, of which at the time of the convening of the General Assembly the Company has 50,353. The total number of the shares with voting right at the time of convening the General Assembly amounted to 4,149,231.

VI PREPOSITIONS FOR PARTICIPATION OF SHAREHOLDERS IN THE GENERAL ASSEMBLY AND USE OF THE VOTING RIGHT:

Only those shareholders, who at the beginning of the 21st day before the meeting of the General Assembly, i.e. on June 23, 2022 (Thursday) were registered in the Central Depository and Clearing Company Inc. as the owners of the Company shares, and who six days before the meeting of the General Assembly, at the latest, or on July 7, 2022 (Thursday), at the latest, registered their participation in the Assembly, in advance, in written form, with the Legal Department of the Company or with a public notary, whose official headquarters corresponds to the headquarters of the Company, are entitled to participate in the General Assembly and use their voting rights. Together with the registration for participation in the General Assembly and the use of the voting right, the shareholder must submit, in written form, proof of possessing a share at the beginning of the 21st day before the meeting of the General Assembly, issued by the Central Depository and Clearing Company Inc.

Data on the public notaries through whom the shareholders can register their participation in the Company assembly are:

1.) Public notary Snježana Ludvajić, 21210 Solin, Kralja Zvonimira 75, Republic of Croatia, phone: +385-21-210-548, e-mail: notarludvajic@gmail.com ;

2.) Public notary Maja Radovani, 21210 Solin, Kralja Zvonimira 85, Republic of Croatia, phone: +385-21-213-286, e-mail: javni.biljeznik.radovani.maja@gmail.com .

The use of the registration forms for participation in the General Assembly is recommended. The forms may be obtained with the Legal Department at the Company headquarters, and are also available on the website of the Company: www.adplastik.hr.

VII VOTING PROCEDURE BY WAY OF A PROXY:

Representatives and proxies of the shareholders, who have registered their participation in the manner and under the conditions described in Item VI of this Invitation, and who have proved their identity, may also participate in the General Assembly and use their voting rights, namely:

- representatives, based on an adequate document on representation, which is submitted to the Company as an original or as a certified copy, by way of the Legal Department, by the day when the General Assembly is held, at the latest;

- proxies, based on a proxy-granting form, in written form, which is submitted to the Company, by way of the Company's Legal Department, by the day when the General Assembly is held, at the latest. Apart from submission by direct handover or by mail, the proof of the appointment of a proxy (scan of the signed proxy-granting form) may also be sent electronically, by e-mail to the address: prijava@adplastik.hr.

The use of the proxy-granting forms is recommended. The forms may be obtained with the Legal Department at the Company headquarters, and are also available on the website of the Company: www.adplastik.hr.

VIII INCLUSION OF NEW MATTERS IN THE AGENDA:

If the shareholders, who jointly possess shares to the amount of the twentieth part of the Company's share capital, request after the General Assembly has been convened for a matter to be included in the agenda of the General Assembly and to be announced, then explanations or draft decisions must be provided for every new matter included in the agenda.

The request for inclusion of a matter in the agenda must be received by the Company at least 30 days before the General Assembly is held. This period does not include the day when the request was received by the Company.

IX COUNTER-MOTIONS BY THE SHAREHOLDERS:

Counter-motions by the shareholders in relation to the draft decision provided by the Management Board and/or Supervisory Board regarding a certain item on the agenda must be available, under statement of their names and family names, explanations, and possibly the standpoint of the Management Board, to the persons mentioned in Article 281, paragraph 1 to 3 of the Corporations Act under the prepositions stated there if a shareholder submits his/her counter-motion to the Company at least 14 days before the General Assembly is held, at the address of the Company headquarters: AD Plastik d.d., 21210 Solin, Matoševa 8.

The day when the counter-motion is received by the Company shall not be included in this period of 14 days. The counter-motion shall be available on the website of the Company: www.adplastik.hr.

If a shareholder does not exert this right, the consequence shall not be the loss of the right to include the counter-motion at the General Assembly meeting.

The above said shall also be applied, in an appropriate manner, to the filing of a motion by the shareholders regarding the election of members of the Supervisory Board or appointment of an auditor. Such a motion needs not to be explained. The Management Board needs not to make the motion available to the shareholders if it does not contain any data, which must be announced with the motion for election of members of the Supervisory Board and appointment of an auditor, and data on memberships of the persons proposed for election in supervisory boards, i.e. steering committees of other companies, and other supervisory bodies at home and abroad.

X RIGHT TO BE INFORMED ABOUT THE COMPANY'S BUSINESS:

During the General Assembly, the Management Board must give every shareholder, at their request, information regarding the business of the Company, if this is necessary for the matters included in the agenda to be judged, in accordance with Article 287 of the Corporations Act.

XI NOTICES ON THE WEBSITE OF THE COMPANY:

Immediately after the announcement of the invitation to the General Assembly, the following shall be available on the website of the Company www.adplastik.hr:

- an invitation for the General Assembly of the Company, together with materials for the General Assembly foreseen by law,
- registration forms and proxy-granting forms for participation and casting votes at the General Assembly,
- the shareholders' request for a matter to be included in the General Assembly agenda (amendment of the agenda), which is received by the Company after the General Assembly has been convened.

XII The shareholders are entitled to review the materials for the General Assembly in the period from the day of the announcement of this Invitation until the day when the General Assembly is held, and with the Company's Legal Department, during working hours.

MANAGEMENT BOARD of AD PLASTIK d.d., Solin

Annex 1

Independent limited assurance report on the Remuneration Report of AD Plastik d.d.





Independent limited assurance report on the Remuneration Report of AD Plastk d.d.

We were engaged by the Management Board of AD Plastk d.d. (the “Company”) to express limited assurance on the Remuneration Report for the year ended 31 December 2021, attached as an appendix. Our engagement is to form an independent limited assurance conclusion, based on our work performed and evidence obtained, that nothing has come to our attention that causes us to believe that the attached Remuneration Report is not prepared in accordance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies Act applicable in the Republic of Croatia (“Reporting Criteria”).

Management and Supervisory Board responsibilities

Management and Supervisory Board are responsible for the preparation and presentation of the Remuneration Report that is free from material misstatement in accordance with Paragraphs 1 and 2 of Article 272r of the Companies Act and for the information contained therein.

Management is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and presentation of the Remuneration Report that is free from material misstatement, whether due to fraud or error;
- measurement and reporting of compensations in accordance with the Reporting Criteria;
- selecting and applying policies as well as making judgments and estimates that are reasonable in relation to the preparation of the Remuneration Report.

Our responsibility

Our responsibility is to examine the Remuneration Report and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Remuneration Report is prepared in accordance with the Reporting Criteria, in all material respects, as the basis for our limited assurance conclusion.

KPMG Croatia d.o.o. za reviziju complies with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and applies the International Standard on Quality Control 1 (ISQM 1). Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards, including independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit or review of the Remuneration Report nor of the underlying accounting and other records from which it was compiled.



Independent limited assurance report on the Remuneration Report of AD Plastk d.d. (continued)

Reporting Criteria

The Reporting Criteria for the preparation of the Remuneration Report are the required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

Limitations in the preparation of the Remuneration Report

The interpretation of performance results is to some extent subjective because it takes into account both qualitative and quantitative aspects. Due to the inherent subjectivity in interpreting qualitative reward criteria, but also subjectivity applied in measuring quantitative goals (for example, related to measuring results for the year), different acceptable methodologies for measuring the achievement of individual goals are possible. Furthermore, various other estimates and judgments were used in the preparation of the Remuneration Report, including, but not limited to: compliance with the remuneration policy; the manner in which the members of the Management Board and the Supervisory Board support the long-term success of the Company and the manner in which the benchmarks for assessing that performance have been applied; an explanation of how workers' remuneration was taken into account in calculating average remuneration and what is the composition of workers included in that calculation.

Statement of Management and Supervisory Board

The Management Board and the Supervisory Board state that the Remuneration Report for the year ended 31 December 2021 is accurate and complete and includes all required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year ended 31 December 2021 is not prepared, in all material respects, in compliance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

This conclusion should be considered in context with the remainder of our limited assurance report, especially in context with the *Limitations in the preparation of the Remuneration Report* and the *Restrictions on the use of our report* paragraphs.

Restrictions on the use of our report

Our report is intended solely for the purpose specified in Article 272r of the Companies Act. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Croatia d.o.o.

KPMG Croatia d.o.o. za reviziju
Croatian registered auditors
Eurotower, 17th floor
Ivana Lučića 2a
10000 Zagreb
Croatia

24 May 2022



Domagoj Hrkać

Director, Croatian registered auditor

AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing

HR 21210 Solin, Matoševa 8 • www.adplastik.hr
tel.: +385 (0) 21 206 444 • fax: +385 (0) 21 206 599



Remuneration Report of Management and Supervisory Board Members for 2021

TABLE OF CONTENTS

1.	Introduction	2
2.	Management Board members	2
2.1	Remuneration of the Management Board members in 2021	3
2.2	Remuneration of Management Board members in subsidiary companies of AD Plastik Group in 2021, and in the affiliated company EAPS	4
2.3	Remuneration paid or obliged to be paid to the President / Management Board members in 2021 by a third party in connection with the tasks performed as the President / Management Board member.....	4
2.4	Remuneration that the Company is obliged to pay in case of early termination of membership in the Management Board	4
2.5	Remuneration that the Company is obliged to pay in case of regular termination of membership in the Management Board	4
2.6	Remuneration paid or obliged to be paid by the Company to a former Management Board member whose membership in the Management Board ended in 2021	5
2.7	Number of shares and share options given or obliged to be given by the Company ..	5
2.8	Return of variable parts of remuneration	5
3.	Supervisory Board	5
3.1	Remuneration of the Supervisory Board members in 2021	7
4.	Comparative presentation of the revenue/profit trend of the Company and the remuneration of the Management Board and Supervisory Board members, and employees in the last 5 years	8
5.	Other information (in accordance with the Article 57 of the Code)	8
6.	Final provisions	9

Pursuant to the provisions of Article 272 r of the Companies Act and the relevant provisions of the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Management Board of the company AD Plastik d.d., headquartered in Solin, Matoševa 8, OIB: 48351740621 (hereinafter: the Company) at its meeting held on May 24, 2022, and the Supervisory Board of the Company at its meeting held on May 24, 2022, determined the following

**REMUNERATION REPORT
OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS
FOR 2021**

1. Introduction

The Company's business operations in 2021 were marked by uncertainty caused by the continuation of the coronavirus pandemic (COVID-19) and its consequences, which were manifested primarily through difficulties in logistical flows and purchasing of raw materials (semiconductors). The main activities of the Management Board and the Supervisory Board members were aimed at maintaining business continuity with a focus on preserving the jobs of the Company's employees as well as maintaining the liquidity and solvency of the Company on the principles of solidarity of all stakeholders in business relations.

In the second half of 2021, the Company adopted the Remuneration Policy of the Management Board members, as well as the Decision on Remuneration of the Supervisory Board members. This Remuneration Report is based on the aforementioned newly adopted documents, as well as on existing internal acts and individual manager's contracts which were in force during 2021.

2. Management Board members

By the decision of the Supervisory Board of July 2, 2020, adopted in accordance with the provisions of the Company's Charter, the Company's Management Board was appointed 4 (four) members for the term of office of 5 (five) years.

The term of office of a Management Board member, Ms. Višnja Bijelić, as a Management Board member, was terminated at her request on August 24, 2021.

Management Board members who held that position during 2021:

Table 1

Name and surname	Function	The period from - to
Marinko Došen	President of the Management Board	01 Jan 2021 – 31 Dec 2021
Mladen Peroš	Management Board Member	01 Jan 2021 – 31 Dec 2021
Višnja Bijelić	Management Board Member	01 Jan 2021 – 24 Aug 2021

Ivan Čupić	Management Board Member	01 Jan 2021 – 31 Dec 2021
------------	-------------------------	---------------------------

President and Management Board members are employed by the Company, and their remuneration is determined by individual manager contracts in accordance with the Remuneration Policy and internal acts of the Company that apply to all employees of the Company (Collective Agreement of the Company and the Ordinance on salaries and other material rights of employees).

The remuneration of the President and the Management Board members is divided into three categories:

- *Fixed remuneration*: consists of the basic monthly salary expressed in its gross amount.
- *Other benefits*: form an integral part of fixed remuneration and relate to the rights from the individual manager's contract, namely: the cost of using a private vehicle for official and private purposes, and life insurance policy. Management Board members who do not reside at the seat of the employer have the right to cover the costs of housing and transportation within the defined limit. Management Board members are also entitled to appropriate awards, financial support, jubilee award for continued employment with the Company or its legal predecessors, food allowance, gift for a child, and salary compensation, all in terms of the provisions of the Collective Agreement of the Company or other general acts of the Company.
- *Variable remuneration*: is an award (bonus) that can be paid to the President and the Management Board members in accordance with the results achieved in the business year or depending on the realization of certain key business indicators determined by the individual manager's contracts.

2.1 Remuneration of the Management Board members in 2021

Management Board members in 2021 (regardless of the period to which the payment refers) were paid the following remuneration in gross I amount in HRK:

Table 2

Name and surname	Fixed remuneration annual gross I salary	%	Variable remuneration	%	Salary in kind (car, insurance, and other)	%	Non-taxable remuneration	%	Total remuneration	%
Marinko Došen	1,120,003.04 HRK	35.02%	1,855,426.53 HRK	58.01%	219,096.14 HRK	6.85%	3,748.00 HRK	0.12%	3,198,273.71 HRK	100.00%
Mladen Peroš	780,000.01 HRK	54.65%	571,561.08 HRK	40.05%	71,881.17 HRK	5.02%	3,900.00 HRK	0.27%	1,427,142.26 HRK	100.00%
Višnja Bijelić*	570,227.27 HRK	81.04%	0.00 HRK	0.00%	130,560.83 HRK	18.55%	2,892.00 HRK	0.41%	703,680.10 HRK	100.00%
Ivan Čupić	780,000.00 HRK	90.43%	0.00 HRK	0.00%	78,230.65 HRK	9.07%	4,300.00 HRK	0.50%	862,530.65 HRK	100.00%

* During the performance of duties in 2021

Management Board members were paid a fixed remuneration (basic monthly salary) according to the manager's contract.

In 2021, Management Board members were paid a variable remuneration (bonus) in the Company's shares:

- for 2019, whose payment was delayed due to uncertainties caused by the COVID-19 virus.
- for 2020.

2.2 Remuneration of Management Board members in subsidiary companies of AD Plastik Group in 2021, and in the affiliated company EAPS

President of the Management Board, Mr. Marinko Došen, is also a member of the Management Committee of the affiliated company EAPS S.r.l. Romania and did not receive any remuneration on that basis.

Management Board member, Mr. Mladen Peroš, is also a member of the Management Committee of the affiliated company EAPS S.r.l. Romania, as well as the President of the Supervisory Board of the subsidiary ADP d.o.o. Mladenovac and did not receive any remuneration on that basis.

2.3 Remuneration paid or obliged to be paid to the President / Management Board members in 2021 by a third party in connection with the tasks performed as the President / Management Board member

President / Management Board members have not been paid, nor is there an obligation to pay remuneration by third parties in connection with the tasks they perform as Management Board members of the Company.

2.4 Remuneration that the Company is obliged to pay in case of early termination of membership in the Management Board

Pursuant to individual managers' contracts, the Company has no obligation to pay remuneration to the Management Board members in case of termination of the term of office before the expiration of the term at his/her request or if the Supervisory Board decides to revoke him/her in accordance with positive legal regulations and conditions stated in individual Manager's Contract.

Exceptionally, if the Supervisory Board, considering all circumstances, decided to revoke a Management Board member because he/she did not achieve annual financial goals and there is no positive tendency to achieve key strategic goals of the Group, he/she is entitled to severance pay in the amount determined by individual manager's contract.

In 2021, there was no amendment to this provision.

2.5 Remuneration that the Company is obliged to pay in case of regular termination of membership in the Management Board

The amount of severance pay due to the President / Management Board members upon the termination of office is determined by individual manager's contracts.

In 2021, there was no amendment to this provision.

2.6 Remuneration paid or obliged to be paid by the Company to a former Management Board member whose membership in the Management Board ended in 2021

In 2021, the Company did not pay severance based on the termination of the term of office and the performance of the duty of a Management Board member.

In 2021, in accordance with the manager's contract, the Company paid a former Management Board member, Ms. Višnja Bijelić, gross I salary in the amount of HRK 150,484.85 during the notice period upon termination of her term of office in the period from August 24, 2021, to October 24, 2021.

2.7 Number of shares and share options given or obliged to be given by the Company

In accordance with individual manager's employment contracts, the decision on the payment of variable remuneration (bonus) is made by the Supervisory Board having in mind the degree and scope of achieving the goals defined by the manager's contract. The bonus can be paid in cash or shares of the Company at the choice of the President / Management Board members. In 2021, variable remuneration was paid in shares of the Company.

In 2021, the President of the Management Board, Mr. Marinko Došen, was paid a variable remuneration in the Company's shares (4,719 shares for 2019 and 3,071 shares for 2020), all in accordance with the achieved goals stipulated in the manager's contract.

In 2021, a Management Board member, Mr. Mladen Peroš, was paid a variable remuneration in the Company's shares (1,346 shares for 2019 and 1,020 shares for 2020), all in accordance with the achieved goals stipulated in the manager's contract.

Payment of part of the variable remuneration in the Company's shares contributes to achieving the Company's goals by giving Management Board members additional personal interest in the sustainable and development business of the Company, and Management Board members are additionally motivated to achieve annual and medium-term plan goals of the whole Group. After acquiring such shares, a Management Board member may not dispose of them for at least two years from the day they were allocated to him/her unless the Management Board membership of a Management Board member terminates within the specified period of two years.

Supervisory Board members are not entitled to the Company's shares.

2.8 Return of variable parts of remuneration

Individual manager's contracts or internal acts of the Company do not stipulate the return of the variable part of the remuneration on any basis.

3. Supervisory Board

Supervisory Board members who performed that duty in 2021:

Table 3

Name and surname	Function	The period from - to
Sergey Dmitrievich Bodrunov	President, appointed a Supervisory Board member by the decision of the AO HAK of 20 Jul 2020	01 Jan 2021 – 31 Dec 2021
Ivica Tolić	Deputy President, re-elected a Supervisory Board member by the decision of the General Assembly of 24 Aug 2020	01 Jan 2021 – 31 Dec 2021
Ivka Bogdan	Member, elected by the decision of the General Assembly of 31 Jan 2019	01 Jan 2021 – 31 Dec 2021
Bože Plazibat	Member, elected by the decision of the General Assembly of 31 Jan 2019	01 Jan 2021 – 31 Dec 2021
Igor Anatolyevich Solomatin	Member, elected by the decision of the General Assembly of 11 Jul 2019	01 Jan 2021 – 31 Dec 2021
Alina Viktorovna Koretskaya	Member, appointed by the decision of AO HAK of 20 Jul 2020	01 Jan 2021 – 31 Dec 2021
Andjelka Čulo	Member, employee representative appointed by the decision of the Workers' Council of 14 May 2020	01 Jan 2021 – 31 Dec 2021

On July 18, 2008, the General Assembly of the Company made a Decision on the payment of an award for work to the Supervisory Board members by which the Supervisory Board members are entitled to an award for work, namely:

- President of the Supervisory Board in the amount of 1.5 (one and a half) average monthly gross salary per meeting of the Supervisory Board.
- Other Supervisory Board members in the amount of 1 (one) average monthly gross salary per meeting of the Supervisory Board.

The amount of the award is determined based on the average monthly gross salary of the employees of AD Plastik d.d. realized in the previous three months before the payment of this award.

The award is paid after each meeting of the Supervisory Board.

This decision was valid for the period until July 15, 2021.

On July 15, 2021, the General Assembly of the Company made a Decision on the remuneration of the Supervisory Board members by which the Supervisory Board members are entitled to remuneration:

- a. The President of the Supervisory Board is entitled to remuneration in the net amount of HRK 12,000.00;
- b. The Deputy President of the Supervisory Board is entitled to remuneration in the net amount of HRK 10,000.00.
- c. Other Supervisory Board members are entitled to remuneration in the net amount of HRK 8,000.00
- d. Supervisory Board members who are also members of one or more Supervisory Board committees are entitled to additional remuneration in the net amount of HRK 4,000.00 just as the other members of the Supervisory Board committees (remuneration per each meeting of the committees in which they participate).

Remuneration a, b, c is paid once a quarter, namely before the end of the last month in the respective quarter. Remuneration d is paid after the meeting of the committee.

3.1 Remuneration of the Supervisory Board members in 2021

Supervisory Board members in 2021 (regardless of the period to which the payment refers) were paid the following remunerations in gross I amount in HRK.

Table 4

Name and surname	Total paid Gross I in HRK
Sergey Dmitrievich Bodrunov	184,186.28 HRK
Ivica Tolić	93,951.33 HRK
Ivka Bogdan	59,319.31 HRK
Bože Plazibat	78,765.70 HRK
Igor Anatolyevich Solomatin	84,872.60 HRK
Alina Viktorovna Koretskaya	68,205.95 HRK
Andjelka Čulo	59,319.31 HRK
Total	628,620.48 HRK

Supervisory Board members were paid the award in accordance with the Decision of the General Assembly of July 18, 2008, and July 15, 2021.

Supervisory Board members have not been paid, nor is there an obligation to pay remuneration by third parties in connection with the function/tasks they perform as the Supervisory Board members of the Company.

Remuneration to the Supervisory Board members does not include a variable component, therefore It is not affected by the Company's business results in the past or future period.

Supervisory Board members are not entitled to severance pay or additional payments from the Company or its subsidiaries/affiliates, nor do they participate in share allocation plans.

4. Comparative presentation of the revenue/profit trend of the Company and the remuneration of the Management Board and Supervisory Board members, and employees in the last 5 years

Table 5

Name/Year	2017	2018	2019	2020	2021
Total Company's revenue	834,653,577.17 HRK	944,973,948.00 HRK	1,107,593,810.00 HRK	871,660,106.00 HRK	745,404,556.00 HRK
Net profit of the Company	53,399,399.14 HRK	88,961,262.00 HRK	80,783,230.00 HRK	68,632,630.00 HRK	16,339,737.00 HRK
Average annual gross I remuneration per employee	104,662.77 HRK	105,474.87 HRK	110,027.28 HRK	110,650.16 HRK	112,082.94 HRK
Average annual gross I remuneration of the Management Board	1,082,839.18 HRK	1,946,766.64 HRK	1,086,090.09 HRK	923,264.98 HRK	1,604,940.83 HRK
Average annual gross I remuneration of the Supervisory Board	30,842.53 HRK	48,511.72 HRK	61,679.85 HRK	67,519.21 HRK	89,802.93 HRK

In the comparative presentation of trends in the last 5 (five) years, the total revenue and net profit of the Company are stated according to the realized in a particular year, as well as the remuneration of employees and the Management Board members.

The calculation of the average annual gross I remuneration per employee of the Company includes all fixed and variable parts of the employee's salary in accordance with the Collective Agreement, the Ordinance on salaries and other material rights of employees, and the employment contract. The average number of employees for a particular year is calculated based on the total number of working hours in relation to the maximum possible number of working hours per particular year per employee.

5. Other information (in accordance with the Article 57 of the Code)

In addition to the information prescribed by law, in accordance with the Article 57 of the Corporate Governance Code, it is stated:


- Supervisory Board members and the President / Management Board members did not receive any other payments from the Company or other companies of AD Plastik Group that are subject to consolidation in addition to the remuneration they received as a Supervisory Board member or the President / Management Board member, except this remuneration s the Supervisory Board members;
- employee representative in the Supervisory Board, Ms. Andjelka Čulo, is an employee of the Company and in addition to the award for work in the Supervisory Board, she also had a salary in accordance with the employment contract and the right to additional rights in accordance with the Collective Agreement and internal acts of the Company in the gross I amount of HRK 79,380.48.

- The Company and other companies of AD Plastik Group that are subject to consolidation did not provide any loans, advances, and guarantees in favor of the Supervisory Board members or President / Management Board members;
- Supervisory Board members, President / Management Board members did not receive any gifts, services, or other benefits of significant value.

6. Final provisions

The Remuneration Report was prepared in accordance with legal provisions and the Corporate Governance Code of the Zagreb Stock Exchange d.d. and HANFA.

The Management Board and the Supervisory Board submit this report to the General Assembly and propose its approval.



Marinko Došen

President of the Management Board



Sergey Dmitrievich Bodrunov

President of the Supervisory Board